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UNCLAS SECTION 01 OF 07 HANOI 000218

SENSITIVE
SIPDIS
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STATE FOR OES, EAP/MLS

E.O. 12958: N/A

TAGS: [SENV](#) [TBIO](#) [SOCI](#) [PREL](#) [ECON](#) [KGHG](#) [KHIV](#) [VM](#)

SUBJECT: SCENESETTER FOR VISIT BY OES ASSISTANT SECRETARY JONES TO VIETNAM

REF: A. 09 HANOI 330; B. 09 HANOI 899; C. HANOI 7; D. 09 HANOI 672
[1](#)E. HANOI 11; F. HANOI 198; G. 09 HANOI 925; H. 09 HANOI 1300
[1](#)I. HANOI 202; J. 09 HANOI 1418; K. 09 HANOI 1300; L. 09 HANOI 558
[1](#)M. 09 HANOI 722; N. 09 HANOI 578; O. 08 HANOI 1293; P. 08 HANOI 406
[1](#)Q. 08 HANOI 370; R. HANOI 58; S. 08 HANOI 1370; T. 08 HANOI 1100
[1](#)U. 08 HANOI 1088; V. 09 HANOI 1020; W. 08 HANOI 981; X. 08 HANOI 119
[1](#)Y. 09 HCMC 595; Z. 08 HANOI 1261; AA. 09 HANOI 639; BB. 09 HCMC 573
CC. 09 HANOI 1274; DD. 09 HCMC 674; EE. HANOI 32

Introduction

[1](#)1. (SBU) Mission Vietnam looks forward to welcoming you to Hanoi. Your visit will be an important signal to the Vietnamese of continued U.S. engagement on health and environmental issues. Your meetings with the Government of Vietnam (GVN), the United Nations (UN), and the European Union will allow us to finalize preparations for the April International Ministerial Conference on Animal and Pandemic Influenza. You will meet with high-ranking GVN officials and scientists to discuss opportunities to build U.S.-Vietnamese Science and Technology cooperation. The GVN considers climate change to be the second most important issue that it faces, behind economic growth and poverty reduction. In turn, you will have the opportunity to advocate for Vietnamese support in international climate change negotiations. You should be prepared for questions regarding the Lower Mekong Initiative and your interlocutors may seek increased U.S. assistance for responses to Agent Orange, and its contaminant, dioxin.

United States-Vietnam Relations

[1](#)2. (SBU) Our bilateral relationship with Vietnam is arguably at its most productive since relations were normalized in 1995, in large part due to Vietnam and the United States seeing the mutual strategic value of expanding their partnership. Vietnam is the 13th most populous country in the world and a critical geo-strategic partner for the United States in Asia, while the United States is one of Vietnam's largest economic and trading partners, as well as the key balancing force in maintaining a stable geopolitical environment, assured independence and freedom of action. We are Vietnam's largest export market, its

third-largest trading partner, and one of its largest foreign investors. We have broadened our cooperation in public health, education, mine clearance, and WTO and BTA compliance. Strategically, Vietnam views the U.S. presence in the region as a force for stability, and security cooperation has expanded as our two militaries explore opportunities to cooperate effectively. Powerful conservative voices in Vietnam's Communist Party and

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security services, including the military, remain wary of U.S. intentions, but their influence will wane over time as the country's young population -- the first generation in memory to live without war -- increasingly looks to the West (Refs A and B). Profound differences remain, however, particularly in our approach to human rights. Vietnam has made strides in religious freedom (Ref C), but political rights and press freedoms trends have worsened as the Party clamps down on dissent in advance of the January 2011 Party Congress (Ref D).

Foreign Policy Priorities: China and the United States

13. (SBU) Vietnam's overriding strategic concern remains China. Mistrust of China runs deep, fed by historical animosities and simmering resentment over South China Sea territorial disputes (Refs E and F). However, Hanoi is realistic about the power imbalance and is wary of antagonizing China. Hanoi is also under no illusions that it can somehow "balance" China with the United States, Russia, or Japan individually. Nor is a more confrontational approach toward China something the Party tolerates domestically: once unleashed, nationalistic sentiment, though initially directed at China, could easily turn toward the Party itself. Instead, Vietnam seeks to maintain as cordial and stable a relationship with China as possible, while also cautiously cultivating a diverse range of bilateral friendships and enmeshing these in a framework of multilateral engagement. In this context, Vietnam's bilateral relationship with the United States enjoys pride of place; however, Vietnam is wary of pushing the agenda with the United States too far, too fast, lest it antagonize China. Vietnam puts great store in ASEAN and has suggested repeatedly that it would like to facilitate better contact between ASEAN and its "plus one" dialogue partners, the United States in particular (Ref G). Vietnam's chairmanship this year gives it an opportunity to lead on regional economic integration and tougher issues like Burma and a collective ASEAN policy in the South China Sea. Vietnam has lobbied hard to host a U.S.-ASEAN summit in Hanoi in 2010.

Economic Successes and Challenges

14. (U) (SBU) Vietnam's "doi moi" (renovation) program of economic reform, begun in 1986, has set the country on a successful market economy path, with an average growth rate of 7.5 percent over the past decade. A recent World Bank study described Vietnam's poverty reduction rate as the most significant in such a short period of time of any nation in history. The GVN focuses on exports and foreign direct investment in its drive to achieve middle-income status in the near future.

15. (U) In 2009, the U.S. was Vietnam's second largest trade partner overall, after China. Since the 2001 U.S.-Vietnam Bilateral Trade Agreement (BTA), bilateral trade has increased from \$2.91 billion to \$14 billion in 2009. Despite the global financial downturn, U.S. exports to Vietnam actually stayed level at approximately \$2.8

billion. Agriculture trade was particularly strong. The U.S. was the largest foreign investor in Vietnam in 2009, with total new and additional FDI of \$9.8 billion.

¶6. (SBU) While the great majority of experts consider Vietnam's long-term economic prospects to be bright, short-term macroeconomic imbalances are worrying investors (Ref H). As Vietnam winds down the stimulus measures it took in response to the financial crisis, it will have to navigate a difficult path between reaching ambitious economic growth targets and controlling inflation and significant budget and trade deficits (Refs I, J and K). To

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maintain high growth over the long term, Vietnam needs to overhaul its infrastructure, reduce widespread corruption, and reform its educational system to provide an adequately skilled workforce.

Seventh International Ministerial Conference
on Animal and Pandemic Influenza

¶7. (U) Health diplomacy is a pillar of the bilateral relationship. Approximately seventy-five percent of all U.S. official development assistance to Vietnam focuses on health issues, and our cooperative efforts to prevent and treat HIV/AIDS and combat pandemic and avian influenza are the hallmarks of our bilateral health relationship. At meetings with the Minister of Agriculture and Rural Development, the UN and other partners, you will have the opportunity to finalize preparations for the upcoming International Ministerial Conference on Animal and Pandemic Influenza (IMCAPI) hosted by the GVN on April 19-21 in Hanoi. We are pleased with the preparations for the event, but still need to ensure an effective and appropriate joint statement and high level USG representation.

Pandemic Influenza

¶8. (SBU) U.S. efforts have made a difference in Vietnam's fight to contain highly pathogenic avian influenza (HPAI) and have contributed to Vietnam's overall efforts to improve health systems capacity. USG influenza-related assistance has focused on controlling the H5N1 strain in animals and humans, preventing a pandemic, including strengthening emergency preparedness, building veterinary laboratory capacity, animal vaccination campaigns, animal surveillance and response, and public awareness. In 2008, the USG became the largest bilateral donor, surpassing investment by the Government of Japan. Since 2005, the USG has provided USD 50 million to counter the threat of influenza to Vietnam. With international assistance, the GVN took quick action to contain HPAI, and has been rewarded with a notable drop in the number and intensity of animal outbreaks and human infections. With USG support, Vietnam is steadily building its independent capacity to produce and market human vaccines against influenza. (Ref L) Vietnam has moved from an emergency response phase into a more sustained approach. This increased capacity clearly contributed to an effective national response as H1N1 influenza swept across Asia (Ref M). However, Vietnam now needs to develop a sustainable long-term strategy focusing on improved poultry management practices to minimize the risk of a pandemic, emergent from Vietnam. Though internal GVN communications difficulties sometimes delay notification to the international health community, and

bureaucratic friction may slow sample sharing, our Vietnamese counterparts remain committed to the campaign.

HIV/AIDS and Other Health Issues

¶9. (SBU) In 2005, Vietnam became the fifteenth and last focus country under the President's Emergency Plan for AIDS Relief. Led by the Ambassador and jointly planned and implemented by USAID, HHS/CDC, DOD and HHS/SAMHSA, the program focuses on prevention, care and treatment for those infected and strengthening of the health system in Vietnam (Ref N). The program continues to successfully build local capacity to prevent the spread of HIV/AIDS and to provide care, treatment and support for an increasing

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proportion of the estimated 243,000 Vietnamese infected with HIV. From September 2008 through September 2009, 178,635 individuals received PEPFAR-supported counseling and testing for HIV/AIDS, while 124,992 individuals had been provided with HIV/AIDS palliative care, and over 33,000 initiated on anti-retroviral therapy. From an initial budget of USD 18 million, PEPFAR funding has grown to USD 87.8 million for FY 2010 with a cumulative total of 410.8 million since 2004. About 25 percent has gone directly to the GVN. The USG is in the process of developing a Partnership Framework Agreement with Vietnam for a comprehensive and evidence-based, five-year strategy in line with GVN's five-year strategy focusing on sustainability, capacity building, health systems strengthening, and tuberculosis (Ref O). Our health diplomacy program extends into many other areas, including assistance to combat other infectious diseases (including cholera, tuberculosis, malaria and dengue fever), road safety, tobacco control, and food safety. U.S. assistance, largely focused on targeted, disease-specific programs, has provided tangible benefits to the people of Vietnam, but be most effective and sustainable must be focused in health systems strengthening. (Refs P and Q) Increasingly, we try to focus on two principal challenges to health sector reform: insufficient human resource capacity and an inadequate regulatory regime.

Climate Change

¶10. (U) The GVN understands that climate change threatens could erode its poverty reduction gains, limit economic growth, and endanger food security. In response, the government is looking for international partners to support its climate change responses, particularly those focused on adaptation (Ref R). During Prime Minister Dung's 2008 visit to Washington, our two nations agreed to set up a new joint subcommittee under the existing bilateral Science and Technology Agreement to advance specific areas of cooperation on climate change adaptation and mitigation. We are preparing for the first meeting of the subcommittee in Hanoi at the end of March. Also during the Prime Minister's visit, the United States and Vietnam announced the creation of the Delta Research and Global Observation Network (DRAGON) Institute at Can Tho University. Supported by the U.S. Geological Survey, the DRAGON Institute is facilitating cooperation among scientists and policy makers to address environmental issues, especially climate change, threatening the Mekong Delta (Ref S). Various other U.S. agencies, including USAID, the U.S. Forest Service, EPA, and NOAA participate in projects that directly or indirectly support Vietnam's climate change response. While the Ministry of Natural Resources and Environment (MONRE) will coordinate GVN climate change policy, several other ministries, particularly MARD, will play important roles in developing GVN adaptation and mitigation responses. We

expect the MONRE Minister to raise climate change cooperation during your meeting.

Agent Orange and Dioxin

¶11. (SBU) While debate continues over the possible human effects of exposure to dioxin, a contaminant in the wartime defoliant Agent Orange, recent environmental studies show that dioxin contamination is concentrated in approximately 20 "hotspots," mostly areas within former U.S. airbases where Agent Orange was stored, loaded and transferred. Areas subjected to heavy aerial spraying do not currently have soil concentrations considered hazardous. The United States and Vietnam have not reached agreement on the scope of possible health effects, with Vietnam continuing to argue that over three million handicapped can trace their disabilities to dioxin exposure. We do not believe that this figure can be supported by scientifically-sound data and analysis. Statements that describe every child born with a birth defect anywhere in Vietnam as a "victim of agent orange" are common and remain a favorite propaganda tool for persons opposed to closer U.S.-Vietnam relations. However, our engagement on this issue has accomplished much, in both transforming the tone of the dialogue and capacity

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building to address environmental issues and provide assistance for the disabled (Ref T).

¶12. (SBU) We continue to work with the GVN, UNDP, Ford Foundation and other donors in a multilateral coalition to support environmental remediation of three priority hotspots in Danang, Hoa Binh and Phu Cat airfields (Ref U). From 2001 to 2007, the USG spent over USD 2 million to initiate technical dialogues, scientific conferences on the effects of AO/dioxin, and fund a 4-year project to build the capacity of Vietnamese scientists to analyze soil samples collected from the Danang airport. The Joint Advisory Committee (JAC) for Agent Orange/dioxin, which brings together scientists and researchers from both governments to provide science-based advice to policy makers for potential environmental and health cooperation, held its fourth annual meeting in September, during which Vietnamese and U.S. members reviewed ongoing health and remediation projects (Ref V). In 2007, Congress appropriated USD 3 million for "dioxin mitigation and health activities" in Vietnam. After completing an interagency process to refine USG-wide policy to support AO/dioxin-related efforts, USAID was selected to implement the USD 3 million. Subsequently, in both 2009 and 2010, Congress appropriated an additional USD 3 million for a total of USD 9 million. In 2008 and 2009, with GVN participation, USAID provided USD 2 million to fund medical services for the disabled in Danang and will provide an additional USD 1 million this year. In 2009, USAID, again with GVN participation, selected CDM International to prepare an environmental assessment and engineering plans and designs for remediation at the Danang airport. Results of the environmental assessment will drive selection of the technology option for remediation. EPA is partnering with the Vietnam Academy of Science and Technology to pilot bioremediation technology at the airport. The USG hopes to support actual containment and remediation work in ¶2011.

Balancing Environment and Economic Growth

¶13. (SBU) Vietnam's rapid economic growth has strained its ability to protect the environment. In particular, the GVN has not been able to control growing pollution, particularly from booming Export Processing Zones and Industrial Parks (Refs W and X). Recently, local media has turned its focus onto this issue, highlighting several cases of egregious violations of Vietnamese pollution control laws (Refs Y and Z). We have also seen growing concern about the environment from average Vietnamese, particularly the wealthier urbanized population, which now concerns itself with quality of life issues as well as economic well being. While the GVN has drafted an array of environmental laws, it lacks the

ability (and perhaps the will) to enforce these provisions and lacks sufficient penalties to deter illegal behavior. Our counterparts in the Environmental Police Department and the Vietnam Environment Administration frequently request assistance on issues ranging from legislative drafting to technical training to financial assistance. To date, U.S. support for these "brown" issues has been modest (Ref AA). We have identified the need to balance economic growth with environmental protection as perhaps the most important future ESTH issue in Vietnam and strive to document many of the areas in which U.S. assistance could make a difference. At the same time, Vietnam's attempts to respond to environmental strains provide potential trade opportunities for U.S. environmental technology, equipment and services firms.

Science and Technology Cooperation

¶14. (U) In the ten years since the United States and Vietnam signed our bilateral Agreement on Scientific and Technical Cooperation, such cooperation has steadily increased. Your predecessor co-chaired the sixth U.S.-Vietnam Joint Commission Meeting (JCM), during which the two delegations reviewed the broad nature of ongoing collaborative efforts. The Vietnamese brought over 40 delegates to Washington, reflecting the importance which they attach to U.S.-Vietnamese efforts. Since the JCM, the two governments have moved forward in several areas, including road

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safety and nuclear cooperation. Vietnam will host the seventh JCM, tentatively scheduled for November 2010, and would like this session to celebrate the tenth anniversary of our bilateral S&T Agreement and the fifteenth anniversary of the resumption of bilateral relations. We have used the Embassy Science Fellow program to boost the breadth of our S&T engagement. This year, Dr. David Roberts from the Department of Energy, has worked with the Vietnam National Science Foundation to set up a research Centers of Excellence initiative. While Vietnam's scientific research and development capacities remain limited, the GVN actively seeks to promote the sector (Ref BB). However, at the same time, the GVN also tries to maintain a tight grip over subjects approved for research and how (and if) researchers can release certain research conclusions (Ref CC). You will have the opportunity to meet with the Minister of Science and Technology and to visit the Vietnam Academy of Science and Technology (VAST), where you will tour the biotechnology institute and get to hold -scientist-to-scientist discussions with VAST researchers.

Lower Mekong Initiative

¶15. (SBU) Vietnam has responded positively to the U.S. Lower Mekong Initiative (LMI), announced following the first U.S. Lower Mekong Ministerial meeting last July 23 in Thailand between Secretary Clinton and the foreign ministers of the Lower Mekong Countries - Cambodia, Laos, Thailand and Vietnam. Our interlocutors look forward to cooperating with the United States and their neighbors on regional health concerns, management of the Mekong River and developing responses to climate change (Ref DD). The GVN has agreed to co-host this June a U.S.-funded LMI Infectious Disease Conference. We are working with our Vietnamese partners to finalize the agenda, which we expect will focus on transnational, action-oriented cooperative responses to infectious diseases and will build upon discussions from the April IMCAPI meeting. While welcoming greater U.S. engagement in the region, Vietnamese officials will look for more concrete signs of U.S. interest, particularly in light of Japan's recent announcement of its own USD

1.5 billion Mekong initiative. In your meetings, you may be asked to describe how the upcoming conference fits into long-term U.S. regional health programs and how to assure that the LMI is a real partnership - with adequate opportunities for input from the Lower Mekong Countries.

Education

¶16. Education remains a major issue in the relationship, with the Mission actively seeking to promote the adoption of American educational practices at Vietnamese universities in order to influence the next generation of Vietnamese leaders, increase the number of graduates with the skills needed to work for American companies in Vietnam, and help the Ministry of Education and Training modernize what is widely regarded as a broken educational system. The Ambassador hosted an Education Conference in Hanoi in mid January, 2010 that brought together more than 600 American and Vietnamese educators representing more than 250 schools and companies with educational programs in Vietnam, for discussions on how to reach a variety of key educational goals (Ref EE). The number of Vietnamese enrolling in the United States continues to grow rapidly, with 13,000 Vietnamese students now in the United States, three times the number there three years ago. Funded by the USG, the Vietnam Education Foundation (VEF) has placed 306 Fellows at 70 top U.S. graduate institutions, mostly for doctoral degrees in the sciences, while the VEF Visiting Scholar Program provides opportunities for Vietnamese to pursue post-doctoral programs at U.S. universities for up to 12 months. VEF Fellows and Visiting Scholars are required to return to Vietnam upon completion of their academic programs in the United States. You will have opportunity to meet with VEF alumni at a reception hosted by Deputy Chief of Mission Palmer (Note: VEF legislation pending before Congress would put VEF more directly under the control of State/ECA and broaden the scope of VEF fellowships to include the social sciences. End Note).

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¶17. (SBU) We look forward to your visit and stand ready to do everything we can to make your time in Vietnam as productive as possible.
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